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February 21, 2011

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

RE: Proposed Rule on Debit Card Interchange Fees, Docket, No. R-1404; RIN No. 7100 AD 63

Dear Ms. Johnson:

As a Community Banker in Wisconsin, I would like to thank you for the opportunity to submit comments regarding the Federal Reserve's (Fed), proposed rules on Debit Card Interchange Fees. The Bank of Luxemburg is a \$200 million bank in Wisconsin.

Community banks provide needed financial services to our customers such as debit cards. Debit cards have become the most popular non-cash means of purchasing goods and services in the United States. As the Federal Reserve's 2010 study of noncash payments highlighted the annual use of debit cards reached 37.9 billion payments in 2009, representing a 14.8 percent annual growth rate. Consumers have come to rely on their debit cards as being safer than cash and less cumbersome than checks.

The proposed Federal Reserve rule implementing the Durbin Amendment to the Wall Street Reform Act will drastically reduce debit card interchange fees which will lead to several unintended consequences for consumers. Community banks will likely be forced to eliminate free debit card services and free or low-cost checking accounts. These changes unfortunately may result in a reduction in consumer usage of debit cards as a noncash payment option.

Given the concerns expressed by the community banking industry and others within the financial services industry, I respectfully request the Fed to withdraw the current proposed Rule given the negative impact on the community banking industry and our customers. Additionally, we strongly urge you to extend the implementation date to at least July, 2012 to allow Congress the opportunity to carefully study the impact of these changes on community banks and consumers.

Thank you for your consideration.

Sincerely,


John Slatky
President